

## Message Text

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ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 AF-10 ARA-10 EA-10 EUR-12 NEA-10 OIC-02  
JUSE-00 /155 W

-----048193 171831Z /43

P 171802Z APR 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8481  
INFO AMEMBASSY NEW DELHI  
AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 05768

USMTN  
ACTION STR PASS ELECTRICALLY  
STR NOTIFY HART (USITC)  
STR PASS CODEL, SINGAPORE FOR GRAEF

E.O.11652:N/A  
TAGS: MTN, ETRD, IN  
SUBJECT: MTN: US-INDIA BILATERAL CONSULTATIONS

REF: STATE 77766

1. SUMMARY. U.S. MTN DEL (GRAEF, O'CONNELL, ST. MAXENS)  
MET ON APRIL 11 AND 12 WITH INDIAN DEL (KUMAR, HODA,  
SANDILYA, MANCHANDA) FOR DETAILED DISCUSSIONS ON U.S. AND  
INDIAN REQUEST LISTS. INDIA WILL REVISE ITS REQUEST LIST  
THE WEEK OF APRIL 17 AS A RESULT OF THE DISCUSSIONS. U.S.  
DEL PROVIDED RATIONALE FOR ITS NONAGRICULTURAL MARKET  
ACCESS REQUESTS, WHILE CLARIFYING INDIVIDUAL LINE ITEMS.  
INDIAN DEL INDICATED THAT GOI WOULD IN NEAR FUTURE  
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ADDRESS THE ISSUE OF CONTRIBUTIONS TO THE MTN. IN THE  
INTERIM, GOI DESCRIBED ITS 1978-79 IMPORT POLICY AND  
PROVIDED U.S. DEL WITH A COPY. END SUMMARY.

2. AGRICULTURAL PRODUCTS. INDIAN DEL WILL CONTINUE TO  
PRESS FOR MAXIMUM MFN CUTS ON ITS AGRICULTURAL AND  
TROPICAL PRODUCT (TP) REQUESTS ON THE FOLLOWING TSUS

ITEMS: 131.30, MILLED RICE; 147.86, FRESH MANGOES; 152.58, MANGO PASTE AND PULP; 153.32, OTHER JELLIES, JAMS...; 161.31, DILL; 161.83, OTHER UNGROUND CAPSICUM OR CAYENNE OR RED; 161.84, GROUND CAPSICUM, CAYENNE OR RED; 165.55, OTHER FRUIT JUICES...; 304.58, OTHER PROCESSED VEGETABLE FIBERS...; AND EX-OUT OF "BEEDIES" (A CONICAL SHAPED CIAGARETTE CONSISTING OF SPECIALLY PREPARED TOBACCO FLAKES WRAPPED IN A LEAF FROM THE TENDU TREE). INDIAN DEL WILL REEXAMINE REQUESTS ON TSUS ITEMS: 155.20, SUGARS...; 162.15, MIXED SPICES...; AND 182.46, OTHER SAUCES; AND WILL PROVIDE SUBSTANTIATION FOR ITS REQUEST ON MANGO JAMS AND JELLIES (153.32). IT REQUESTED IMPLEMENTATION OF U.S. TP OFFERS ON TSUS ITEMS: 106.60, 147.92, 152.58, 176.14, 196.15. MTN DEL INFORMED INDIAN DEL OF OFFER ON MANGO JUICE (EX 165.55) PER REFTTEL, BUT WITHHELD OFFER ON RICE, 131.30, GIVEN ITS NONDECISION ON CONTRIBUTIONS.

3. HEALTH AND SANITARY STANDARDS. INDIAN DEL EXPRESSED CONCERN OVER U.S. HEALTH AND SANITARY STANDARDS WITH RESPECT TO MANGOES, FROG AND CRAB MEAT. WITH RESPECT TO MANGOES, INDIA REQUESTED U.S. DESIGNATION AS "BOLLWEEVIL FREE" COUNTRY. INDIAN DEL ALSO REQUESTS RELAXATION OF U.S. FDA'S 1974 SAMPLING AND INSPECTION PROCEDURES FOR SALMONELLA (FROG AND CRAB MEATS) AND THAT THESE SAME STANDARDS NOT BE EXTENDED TO SHRIMP. INDIAN DEL ALLEGES LIMITED OFFICIAL USE

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FDA UNILATERALLY TERMINATED A MEMORANDUM OF UNDERSTANDING BETWEEN THE TWO COUNTRIES REGARDING SAMPLING AND INSPECTION PROCEDURES OF FROG AND CRAB MEAT. THEY OFFERED THE FOLLOWING RATIONALE IN SUPPORT OF RELAXATION OF U.S. INSPECTION STANDARDS ON FROG AND CRAB MEAT: (A) PRIOR TO CONSUMPTION, FROG MEAT IS COOKED AT SUFFICIENT TEMPERATURES TO KILL MICRO-ORGANISMS; (B) SAME RIGOROUS STANDARDS NOT APPLIED TO POULTRY WHERE DANGER OF CROSS-CONTAMINATION IS EQUAL; AND (C) NO REPORTED U.S. OUTBREAK OF POISONINGS FROM INDIAN FROG MEAT PRIOR TO IMPLEMENTATION OF 1974 STANDARDS.

4. IN A BRIEF EXCHANGE ON GOI'S GSP REQUESTS, BOTH DELEGATIONS REVIEWED THEIR RESPECTIVE POSITIONS AS REPORTED PREVIOUSLY. INDIAN DEL INFORMED U.S. DEL THAT GSP REQUESTS WOULD REMAIN ON THE TABLE, BUT WOULD ALSO BE SUBMITTED VIA NORMAL GSP PROCEDURES.

5. INDUSTRIAL TARIFFS. INDIAN DEL SAID IT WILL SUBMIT A CONSOLIDATED REVISED REQUEST LIST TO U.S. DEL IN THE NEAR FUTURE. IT DETAILED ITS MFN S AND D REQUESTS DATED 23 FEBRUARY 1978, AND MADE NEW REQUESTS FOR

MAXIMUM AUTHORITY CUTS ON FOLLOWING TSUS ITEMS (ALL REQUESTS FOR NEW "MADE BY HAND" POSITIONS): 204.40, 204.50, 206.67, 207.00, 256.70, 256.75, 652.60, 653.37, 653.39, 653.80, 654.00, 657.35, 706.0820, 740.10, 741.30, 791.20, 791.25, 792.40, AND 792.60. MTN DEL CAUTIONED THAT TREND IN U.S. TARIFF SCHEDULE WAS SIMPLIFICATION, AND INQUIRED WHETHER GOI THOUGHT U.S. CUSTOMS COULD ADMINISTER REQUESTED POSITIONS. HODA RESPONDED THAT GOI WAS PREPARED TO CERTIFY ALL OF ABOVE AS "HANDMADE" AND STATED THE EC HAD SPECIAL PROCEDURES FOR THE ABOVE.

6. WITH REGARD TO TEXTILE PRODUCTS MADE FROM HAND-LOOMED FABRICS, HODA INDICATED HIS BELIEF THAT GOI WOULD CERTIFY SUCH PRODUCTS AS HAND-LOOMED. IN RESPONSE TO LIMITED OFFICIAL USE

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JUSE-00 /155 W

-----048222 171832Z /43

P 171802Z APR 78

FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8482  
INFO AMEMBASSY NEW DELHI  
AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 05768

USMTN

ACTION STR PASS ELECTRICALLY  
STR NOTIFY HART (USITC)  
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MTN DEL QUESTION, HODA INDICATED THAT VIRTUALLY WHOLE PRODUCT WAS HANDMADE (EXCEPTIONS BEING BUTTONS, ETC.). U.S. MTN DEL REQUESTS ITC EXAMINATION OF GOI REQUESTS NUMBERED 23-37 IN JANUARY 18, 1978 GOI REQUEST LIST, AND ADVISE IF CERTIFIED HAND-LOOM EX-OUTS ARE ACCURATE FOR PRODUCT DEFINITION.

7. HODA ALSO CLARIFIED GOI'S REQUESTS ON STAGING AND EX-OUT POSITIONS. IF INDIA PRINCIPAL SUPPLIER OF TSUS LINE ITEM, FASTEST STAGING IS REQUESTED FOR WHOLE POSITION. IF INDIA NOT PRINCIPAL SUPPLIER, IT REQUESTS NEW TARIFF POSITION AND FASTEST STAGING ON NEW POSITION.

8. INDIAN DEL WAS UNPREPARED TO DISCUSS U.S. INDICATIONS LIMITED OFFICIAL USE

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OF EXPORT INTEREST ON NONAGRICULTURAL PRODUCTS ON LINE ITEM BASIS, NOTING INDICATIONS HAD NOT BEEN PRESENTED TO THEM UNTIL MARCH 23. INSTEAD, IT SOUGHT UNDERLYING METHODOLOGY FOR ITS PREPARATION. U.S. DEL NOTED U.S. INDICATIVE LIST WAS PREDICATED ON ADVICE OF PRIVATE SECTOR INDUSTRY AND LABOR ADVISORY GROUPS, AS WELL AS U.S. GOVERNMENT AGENCIES. MORE SPECIFIC INFORMATION AT THE PRODUCT LEVEL WAS PROVIDED BY U.S. DEL AS REQUESTED. INDIAN DEL AGREED TO RESPOND SOON ON U.S. INDICATIONS OF EXPORT INTEREST.

9. HODA ALSO NOTIFIED U.S. DEL OF CHANGE IN INDIA'S IMPORT POLICY ANNOUNCED APRIL 3, 1978. HE NOTED THAT GOI HAS REDUCED SEVERAL CAPITAL GOODS TARIFFS TO 25 PERCENT FROM 45 PERCENT. U.S. DEL SOUGHT CLARIFICATION AS TO WHETHER REDUCTION INCLUDES BOTH BASE RATE AND AUXILIARY RATE, WHICH INDIAN DEL WILL CLARIFY AT LATER DATE. INDIAN DEL ALSO CITED EXTENSIVE LIBERALIZATION OF LICENSING (MTN DEL COMPARISON OF LIBERALIZATION TO U.S. INDICATIONS OF INTEREST WILL FOLLOW), BUT DID NOT RESPOND TO QUESTION AS TO WHETHER FURTHER LIBERALIZATION WOULD BE MADE DURING REMAINDER OF MTN. HODA DREW SPECIAL ATTENTION TO LIBERALIZATION OF PURCHASES FOR 14 INDUSTRIES DESCRIBED IN PARA. 13 OF CHAPTER III IN THE IMPORT POLICY.

10. ACTION REQUESTED: (A) FDA COMMENT REQUESTED IN PARA 3; (B) ITC ADVICE ON PARA 6. DRAFTED BY O'CONNELL/GRAEF. CULBERT

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, NEGOTIATIONS  
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**Copy:** SINGLE  
**Draft Date:** 17 apr 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Type:** TE  
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